

## ETEXT ATTACHMENT

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July 8, 2005

BY ELECTRONIC DELIVERY

Edward D. Ryan

Campaign Finance Analyst

Reports Analysis Division

Federal Election Commission

999 E Street, N.W.

Washington, D.C. 20463

Re: Letter dated June 8, 2005, regarding Amended July Monthly Report (6/1/04-6/30/04) filed August 20, 2004

Dear Mr. Ryan:

On behalf my client, the Republican Party of Louisiana ("the Party"), I am writing in response to the Commission's letter dated June 8, 2005, regarding the Party's amended July Monthly Report (6/1/04-6/30/04), received by the Commission on August 20, 2004. The Commission's letter requested a clarification of the Party's salary and wage payments on its May Monthly (4/1/04-4/30/04), June Monthly (5/1/04-5/31/04), and amended July Monthly (6/1/04-6/30/04) Reports. It is important to note that the Party submitted a second amendment to the July Monthly Report on May 26, 2005.

Pursuant to the Federal Election Campaign Act, as amended, State party committees must use federal funding for federal election activities, which include the payment of salaries and wages to employees who spend more than 25-percent of their compensated time in a given month in connection with a federal election. See 2 U.S.C. 431(20)(A); 11 C.F.R. 100.24(b)(4), 106.7(e)(2), 300.33(c)(2). A State party committee must pay employees who spend less than 25-percent of their time on federal campaign activities with funds that comply with state law. See 11 C.F.R. 106.7(c)(1), 300.33(c)(2); see also Advisory Opinion 2004-12 (June 14, 2004), Advisory Opinion 2003-11 (Aug. 7, 2003).

According to the Commission's "Instructions for F.E.C. Form 3X and Related Schedules," State party committees should report disbursements for "federal election activities" made entirely with federal funds on Line 30(b). See F.E.C. Instructions for Form 3X (Dec. 2004). Because salary payments to employees who spend less than 25-percent of their compensated time in a given month in connection with a federal election are not "federal election activities," State political parties are not required to disclose them on Line 30(b).

Between April 1, 2004, and June 30, 2004, the Party paid salaries to its employees for services in connection with the following activities:

" From April 1, 2004, through April 30, 2004, the Party spent federal funds to pay salaries for five employees and March payroll taxes for two employees. Each of the employees spent more than 25-percent of his or her compensated time working in connection with federal elections. Because the disbursements constitute "federal election activity," the Party has amended its May Monthly Report by listing the salary and tax payments on Line 30(b). The Party also spent federal funds to pay a salary and March payroll taxes for a sixth employee. The employee did not work in connection with a federal election in March or April. Funds raised in compliance with federal law also comply with the less stringent Louisiana state campaign finance law. Therefore, the Party properly disclosed disbursements for this employee's salary and tax payment on Line 21(b) of the May Monthly Report.

" From May 1, 2004, through May 31, 2004, the Party spent federal funds to pay salaries for seven employees and April payroll taxes for five employees. Each of the employees spent more than 25-percent of his or her compensated time working in connection with federal elections. Therefore, the Party has amended its June Monthly Report by listing the salary and tax payments on Line 30(b). The Party also spent federal funds to pay April payroll taxes for one employee.

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The employee did not work in connection with a federal election in April. Therefore, the Party properly disclosed the disbursement for the payroll taxes on Line 21(b) of the June Monthly Report.

" Finally, from June 1, 2004, through June 30, 2004, the Party spent federal funds to pay salaries for eight employees and May payroll taxes for seven employees. Each of the employees spent more than 25-percent of his or her compensated time working in connection with federal elections. Therefore, the Party has amended its July Monthly Report by listing the sum of the salary and tax payments on Line 30(b).

If you have questions or require additional information, please do not hesitate to contact me at (202) 756-8003.

Sincerely,

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